

BOARD FOR PROPRIETARY EDUCATION

Tuesday, March 8, 2022

DECISION ITEM B-1:

Revise the Board for Proprietary Education Fee Schedule

Staff Recommendation

That the Board for Proprietary Education (BPE) approve the fee schedule in accordance with the background discussion in this agenda item.

Background

At the December 2021 meeting of the Board, and at two subsequent Planning Committee meetings, Board members discussed the need to revise the fee schedule so that adequate revenue could be generated to support external reviews of audited financial statements for BPE authorized institutions. It was also discussed that the financial health of institutions needs to be more closely monitored, as this has been a concern of both staff and the Board.

To accomplish this objective, the Commission consulted with a financial firm to review a selected number of institutional financials. The results of these reviews, along with the underlying methodology, were discussed at the September Board meeting. For this process to continue, additional funding will need to be generated.

The current fee schedule was established in 2010 by the predecessor agency (COPE) and was inherited in 2012.

The new fees will generate an estimated \$60,000 to \$75,000 annually and will go into effect May 1, 2022.

The revised fee schedule would raise the institutional authorization and renewal fees by \$500, to \$2,500 and \$1,000 respectively. Institutions with no physical presence would be assessed \$25 per program upon applying for initial authorization (there is no program fee currently). All institutions would be assessed \$25 per program upon applying for renewal of authorization (there is no program fee currently).

Revenue generated by the new fee schedule will permit a mix of financial health reviews to be put in place over time. The financial reviews may include a combination of any of the following:

- New institutional financial reviews
- Existing institutional financial reviews
- In-depth financial reviews

- Semi-Annual financial reviews

Supporting Document

Fee Schedule (to be distributed)